TRAINING SCHOOL.—It has been decided by the Department to continue the Training School upon the same basis as last year.

SCHOOL COMMITTEES.—The Board have great pleasure in reporting that its relations with the School Committees continue to be most satisfactory. There is, however, an underlying feeling of dissatisfaction with the grants made to provide necessary works; but if the Board has not the money it can only meet applications to the extent of its means. A few of the Committees continue to subsidise the grants of the Board.

TECHNICAL.—The question of technical education is one that is causing much additional work to be done by the Board, without any compensating results in the matter of special classes. The Board is desirous of fostering technical education, and for this purpose school-classes are being encouraged as much as possible. Teachers' classes have been carried on in three centres of the district, in which the teachers have shown much interest, and the attendance has been satisfactory; but in the matter of special classes the case is different, and until some different arrangements are made, such as an overseeing authority, the Board has no means of ascertaining the efficiency or otherwise of the work done. The Board's Inspector not being an inspector under the Act, it is thought the Department might sanction the appointment by the Board of a controlling body to consist of representatives from Borough Council, Napier High School Board of Governors, and the Education Board, who could arrange for the proper supervision of the work done by special classes.

SCHOLARSHIP REGULATIONS.—The issue of new regulations bearing on the work of secondary education has caused a temporary disarrangement of the scholarship regulations, and some amendments will be needful to adapt them to the new conditions.

There are fifty-five scholarship-holders from the public schools attending the Napier High School and the Gisborne District High School. Six of the scholarships were of the annual value of £50 4s. each, ten of £30 4s., two of £16 4s., and thirty-one of £10 4s.; there are also ten free scholarships under the new regulations granted, the Commissioners paying £2 10s. for school requisites to each pupil, and £13 4s. for coach-fare, the Education Department providing £6 for each free pupil.

DISTRICT HIGH SCHOOLS.—The question of establishing district high schools has been prominently brought forward during the year, but with no practical results, unless in the case of Gisborne having established a Free District High School; but this is partly owing to the endowments granted years ago to the Gisborne High School Board of Governors, who now use their endowments to foster a Free District High School at Gisborne.

There is an effort being made to start a District High School at Dannevirke.

PHYSICAL DRILL.—Drill is taught in all schools save where female teachers are in charge.

FINANCE.—The account of the Board's income and expenditure for the year duly audited by the Government Auditor is forwarded herewith. The amount paid for teachers' salaries was £23,669 12s. 5d., to School Committees, £2,336 3s. 2d.; and the amount expended on the purchase of school sites, erection of school buildings, repairs, &c., was £2,879 0s. 3d.

I have, &c.,

THOS. TANNER, Chairman.

The Hon. the Minister of Education, Wellington.

GENERAL STATEMENT of RECEIPTS and EXPENDITURE for the Year ending 31st December, 1902.

Receipts.

	£	s.	d.
Credit balance at beginning of year—			
On Building Account	862	19	0
On General Account	3,296	19	5
On Deposit Account	30	0	0
Government grant for buildings	2,675	0	0
Rents	24	11	6
Other grants from Government—			
Capitation for relieving-teachers ..	128	8	11
Allowance, £250, and capitation at 11s. 3d.	4,103	2	8
Addition to statutory capitation for 1901	416	12	10
Salaries and allowances of teachers and pupil-teachers:—			
Paid by Government	20,679	12	11
Paid by School Commissioners ..	3,012	10	0
Scholarship grant	524	7	6
District High Schools—Grants ..	188	10	0
Manual and technical instruction—			
Capitation for—			
School classes	12	14	0
Special classes—Manual and technical instruction	102	1	3
Grants for—			
Buildings	6	5	0
Apparatus	162	9	5
Instruction of teachers	181	5	0
Grants for rebuilding schools destroyed by fire	367	0	9
Fees for manual and technical instruction	7	18	5
Donations, teachers' salaries	59	13	0
Gisborne High School, on account of salaries	194	13	0
Miscellaneous	1	15	0
Contractor's deposit	58	0	0
	£37,096	9	7

Expenditure.

	£	s.	d.
Office staff—Salaries and clerical assistance	350	0	0
Departmental contingencies	340	11	0
Inspectors' salaries and travelling-expenses	675	0	0
Relieving-teachers	26	12	0
Examination of pupil-teachers	42	5	0
Scholarships—			
Paid to scholars	450	11	0
Examination expenses	48	16	1
Teachers' salaries	24,043	9	1
Teachers' house allowances	346	9	9
Pupil-teachers' lodging allowances ..	168	14	5
Incidental expenses of schools	2,336	3	2
School buildings—			
New buildings	1,100	12	9
Improvements of buildings	778	19	8
Rebuilding schools destroyed by fire ..	318	11	3
Furniture and appliances	203	0	1
Rent of buildings used for school purposes	92	5	0
Sites	144	3	0
Plans, supervision, and fees	241	8	6
Manual and technical instruction—			
Salaries	315	13	0
Travelling expenses—			
Of instructors, £38 10s.; of students, £12 11s.	51	1	0
Apparatus	82	18	5
Incidentals	41	14	4
Other expenses—			
Exchange account	54	4	9
Gisborne High School Board, refund ..	33	10	6
Contractor's deposit refunded	30	0	0
Credit balance at end of year—			
On Building Account	1,050	11	0
On General Account	3,671	4	10
On Deposit account	58	0	0
	£37,096	9	7

THOS. TANNER, Chairman.
G. T. FANNIN, Secretary and Treasurer.

Examined and found correct.—J. K. WARBURTON, Controller and Auditor-General.